

Citadel grabs short-term space at 520 Madison ahead of move to 425 Park

Ken Griffin's hedge fund may be in the market for an additional 100K sf

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520 Madison Avenue and Ken Griffin

Ken Griffin's Citadel hedge fund will move into one of the city's most buzzed-about offices when L&L Holding finishes 425 Park Avenue in 2019. But in the meantime, traders gotta trade.

Citadel signed a short-term sublease for about 24,000 square feet with the investment bank Jefferies at 520 Madison Avenue, and may be in the market for up to another 100,000 square feet, sources told *The Real Deal*.

The hedge fund made headlines last year when it signed a lease for 200,000 square feet at L&L's Norman Foster-designed office tower – including a record-breaking \$300 a foot for the penthouse space.

But Griffin's firm is in expansion mode, and to accommodate the growth, it took short-term space from Jefferies at 520 Madison on a lease that will terminate at the same time its lease expires at its current headquarters at 601 Lexington Avenue in a few years.

At that point, Citadel will consolidate at 425 Park. Asking rent in the deal with Jefferies was in the high \$80s per square foot, sources said, and part of what sold Citadel on the space was that it was already set up for a financial-services firm.

A CBRE team led by John Nugent and Andrew Sussman, which represented Citadel in its lease at 425 Park, also worked on the Jefferies deal.

Last year, Citadel hired a new head of global real estate, Robert Kaplan, who in his previous position at Microsoft had a relationship with JLL. Kaplan has now hired a JLL team in New York to look for between 50,000 to 100,000 square feet of space near 601 Lexington.

It's not clear if the space would be another short-term deal ahead of the move to 425 Park, or something more permanent.